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April 10, 2020

—Via Electronic Filing—

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: 2019 ANNUAL REPORT
ELECTRIC REVENUE DECOUPLING PILOT PROGRAM
DOCKET NO. E002/M-20-180

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission these brief Reply Comments in response to the Department of Commerce – Division of Energy Resources' Comments received on March 31, 2020. We appreciate the Department's thorough review of our Report and recommendation of approval. As the Department noted in their Comments, we plan to meet to discuss possible changes to our decoupling mechanism if it is to continue.

In Comments, the Department requested the Company provide a comparison of our 2019 CIP achievements to our CIP achievements during the three-year decoupling period, 2013-2015, when the 2019 CIP achievements are available. As noted in the Department's Comments, the Company's 2019 CIP Status Report is due May 1, 2020. However, our electric and natural gas CIP Adjustment Factor filings were submitted on April 1, 2020.¹ In these filings we reported our total CIP achievements for 2019. Using that data, we provide the information requested by the Department in Table 1 below.

¹ Docket Nos. E002/M-20-402 and G002/M-20-403

Table 1: Xcel Energy’s CIP Achievements Compared to Pre-Decoupling (2013-2015) CIP Achievements (kWh)

	Business	Residential	Total
2013	326,172,990	167,072,321	493,245,311
2014	342,313,567	136,265,278	478,578,845
2015	326,406,491	173,987,045	500,393,536
2013-2015 Average	331,631,016	159,108,215	490,739,231
2016	359,412,589	191,286,634	550,699,223
2017	463,172,254	192,898,330	656,070,584
2018	478,637,852	201,810,597	680,448,449
2019	334,192,418	194,707,041	528,899,459
2019 % Difference from 2013-2015 Average	1%	22%	8%

An analysis of the Company’s full CIP savings results will be presented in our 2019 CIP Status Report, which will be filed on or before May 1, 2020 (Docket No. E,G002 CIP-16-115.08).

The Department noted that future analysis of different regulatory policies and how they interact will be needed in order to inform the discussion of how Minnesota’s greenhouse gas goals can be reached at a least cost or reasonable cost basis. The Company is supportive of continued engagement on these topics. The Company notes there are other dockets that may include discussions relevant to this topic, such as various Electric Vehicle dockets,² the Performance Metrics docket,³ the CIP triennial filing,⁴ the Resource Plan docket,⁵ and the CO2 regulatory costs docket.⁶

Lastly, upon our review of the Department’s Comments we discovered some RDM factors with differing sign conventions for credits and surcharges. Table 2 below provides the RDM factors for the four-year decoupling pilot.

² Docket Nos. E999/CI-17-879, E-002/M-18-643, E002/M-19-559

³ Docket No. E002/CI-17-401

⁴ Docket No. E,G002/CIP-16-115

⁵ Docket No. E002/RP-19-368

⁶ Docket No. E-999/DI-19-406

**Table 2: Xcel Energy's 2016-2019 RDM Factors
(\$/kWh) - Surcharge/(Credit)**

Year	Res	RSH	SCI Non-Dmd
2016	(\$0.000649)	\$0.003600	(\$0.000291)
2017	\$0.003064	\$0.002361	\$0.001245
2018	(\$0.001625)	(\$0.001056)	(\$0.000213)
2019	\$0.003069	\$0.000512	\$0.002849

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Amber Hedlund at Amber.R.Hedlund@xcelenergy.com or (612) 337-2268 or me at Lisa.R.Peterson@xcelenergy.com or (612) 330-7681 if you have any questions regarding this filing.

Sincerely,

/s/

LISA R. PETERSON
MANAGER, REGULATORY ANALYSIS

c: Service List

CERTIFICATE OF SERVICE

I, Paget Pengelly, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

Docket Nos. E002/M-20-180

Dated this 10th day of April 2020

/s/

Paget Pengelly
Regulatory Administrator

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